

Richie Farmer
Commissioner



Division of Food Distribution
107 Corporate Drive
Frankfort, KY 40601
Phone: (502) 573-0282
Fax: (502) 573-0304

Kentucky Department of Agriculture
A Consumer Protection And Service Agency

POLICY MEMORANDUM-KY-PM-S-06-5

TO: All Food Service Directors / Administrators

FROM: Teresa Ulery, Director
Division of Food Distribution

DATE: February 22, 2006

SUBJECT: **USDA Regulation Implementing A-133 Revision**

The intent of this policy is to inform you of the amendment by USDA regarding 7 CFR parts 3052 to implement the Office of Management and Budget (OMB) revisions to Circular A-133. These amendments increase the total Federal Award threshold for audits from \$300,000 to \$500,000. This final revised rule mandates that all Recipient Agencies (RA's) that expend \$500,000 or more in total Federal Awards (not limited to commodity awards only) shall have an annual agency audit in accordance with this part.

All RA's that meet these criteria shall submit an electronic or hard copy of the auditors report to this office within 30 days after completion. As a pass-through entity the Department of Agriculture, Division of Food Distribution will review each audit for the following:

1. Ensure each RA auditor's report of the Department of Agriculture Federal Program Award is consistent with the Planned Assistance Level (PAL) report Total Dollars for that agency and determine whether the RA audit report includes Bonus Dollars or necessitate adjustment of the Pass-through Entity's award amount.
2. Identify that the following are noted correctly in the audit report:

Federal Grantor- (Dept. of Agriculture),
Pass-through Entity- (Dept. of Education),
Program Title- (National School Lunch Program) and
Catalog of Federal Domestic Award- (10.555)



3. We will note any reported findings or discrepancies during audit in regards to this award and issue a management decision on audit findings within six months after receipt of the RA's audit report and ensure that the RA takes appropriate and timely corrective action.

All R/As will now be required to furnish auditors with the total dollar value of commodities remitted to your agency electronically via the Electronic Commodity Ordering System (ECOS), using the following procedures:

Go to ECOS logon page: [https:// www.usdaservices.eds-gov.com/](https://www.usdaservices.eds-gov.com/)

Enter your login and Password then click on **“Reports”** on the left-side of the page under **Entitlement/Bonus** click on **Requisition Ent/Bonus Summary**, **Program Year:** Year of Audit, **File Type:** CSV. Next **right click;** Open Excel Worksheet.

Any request from an independent auditor will be directed to call the R/A that they are currently auditing for the information on dollar value of commodities received, in a given year.

Should you have questions pertaining to the information above, please contact Steve Castanis at 502-573-0298 Ext. 265 or email him at Steve.Castanis@ky.gov.

Attachment